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ANNUAL REPORT
OF THE
DEPARTMENT OF PUBLIC SERVICE REGULATION
PUBLIC SERVICE COMMISSION

TO THE
GOVERNOR OF MONTANA
HONORABLE THOMAS L. JUDGE

FOR THE
FISCAL YEAR ENDED
JUNE 30, 1974

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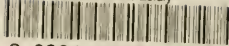
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Report, 1974.

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Public Service Commission
OF THE STATE OF MONTANA

1227 11TH AVE.

HELENA

MEMBERS

ERNEST C. STEEL CHAIRMAN

BOB McTAGGART

VICTOR H. FALL

ADDRESS ALL COMMUNICATIONS
TO THE COMMISSION

October 11, 1974

The Honorable Thomas L. Judge
Governor of the State of Montana
State Capitol Building
Helena, Montana 59601

Dear Governor Judge:

In accordance with the requirement of Section 82-4002, R.C.M. 1947, we are herewith submitting the report of the Department of Public Service Regulation of the Public Service Commission for the fiscal year ended June 30, 1974.

Major accomplishments during the year included:

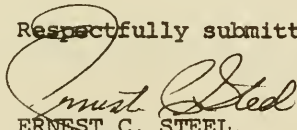
Surveillance of natural gas systems to verify compliance of rules and regulations.

Review of motor carriers and public utilities for compliance of rules and regulations.

Recommendation made:

That a tax be established to replace the motor carrier Gross Revenue Tax.

Respectfully submitted,


ERNEST C. STEEL,
Chairman

ES/djm

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PRINCIPAL OFFICES AND OFFICERS

DEPARTMENT OF PUBLIC SERVICE REGULATION
PUBLIC SERVICE COMMISSION

OFFICER TERM OF OFFICE	HOME ADDRESS
ERNEST C. STEEL, CHAIRMAN 1969-1975	1801 8th Avenue Helena, Montana
ROBERT E. McTAGGART, COMMISSIONER 1973-1975	1995 Cannon Helena, Montana
VICTOR H. FALL, COMMISSIONER 1974-1975	1227 Beaverhead Drive Helena, Montana
GAIL E. BEHAN, SECRETARY	613 Highland Helena, Montana

PRINCIPAL ADMINISTRATIVE OFFICERS

CHARLES H. DICKMAN, COUNSEL, LEGAL DIVISION
TERRY HANSON, COUNSEL, LEGAL DIVISION
FRANCIS G. FISHER, ADMINISTRATOR, TRANSPORTATION DIVISION
R. DENNIS CRAWFORD, ADMINISTRATOR, UTILITY DIVISION

PRINCIPAL OFFICE

1227 11th AVENUE
HELENA, MONTANA

LEGAL REFERENCES

The statutory authorizations for the activities of the Department of Public Service Regulation and Public Service Commission of the State of Montana are as follows:

Under Section 82A-1701, R.C.M. 1947, The Department of Public Service Regulation was created.

Railroad Commission Act
1907
Title 72, Chapter 1
Revised and Amended

General supervision, control and regulation of rates, fares charges, service facilities and safety regulations relating to transportation by rail.

Public Service Commission
1913
Title 70, Chapter 1
Revised and Amended
(The Board of Railroad Commissioners was designated ex-officio Public Service Commission)

Supervision, regulation and control over all public utilities including municipally owned utilities, furnishing water, electricity gas heat, power, telephone or telegraph service. Regulation includes all matters relating to rates, services and facilities.

Common Carrier Pipe Lines
1921
Title 8, Chapter 2
Revised and Amended

Supervision of rates, charges, Services and facilities of common carriers of petroleum and petroleum products by pipeline.

Electrical Construction
1917
Title 24, Chapter 1
Revised and Amended

Supervision and enforcement of Laws and regulations relating to overhead construction of electrical construction.

Motor Carrier Act
1923, Revised and Amended
Title 8, Chapter 1

Creation, service, regulation and control over "for-hire" motor vehicles operating upon the public highways of the State of Montana, with certain exceptions.

VHF Booster and Translator
Television Systems
1959
Title 70, Chapter 4

Authorizing the licensing and use of VHF Booster and Translator Television Systems.

Public Utilities Securities Act
1961
Title 70, Chapter 1

Necessity of every electric or gas public utility must obtain approval of Commission for issuance of certain securities.

LEGAL REFERENCES- Cont'd.

Creation of Public Service
Commission
1974
Amended, Section 70-101

Abolish three member Commission
and replace with five member
Commission which will commence
duties as of January, 1975.

MAJOR RESPONSIBILITIES

The Department of Public Service Regulation of the Public Service Commission is responsible for regulation rates and services of the railroads, motor carriers, pipelines and public utility companies subject to its jurisdiction.

Its major goal is to assure the consumer of safe and adequate transportation and utility services at just and reasonable rates.

MAJOR ACCOMPLISHMENTS SUMMARIZED

<u>PRIORITY</u>	<u>DESCRIPTION</u>	<u>PROGRAM</u>
1.	Natural Gas Safety Program	Department of Public Service Regulation
2.	Review for compliance of rules and regulations	Department of Public Service Regulation

MAJOR ACCOMPLISHMENTS DESCRIBED

1. Inspections were made of all natural gas systems to verify compliance with the rules and regulations that the Commission adopted from the D.O.T. Office of Pipeline Safety.
2. A review was made of all motor carriers and public utilities under the Commission's jurisdiction to verify the filing of all necessary reports and for compliance with the prescribed rules and regulations.

PROGRAM COST SUMMARY

<u>PROGRAM</u>	<u>FISCAL YEAR COSTS</u>		<u>Increase (Decrease)</u>
	<u>1972-1973</u>	<u>1973-1974</u>	
Department of Public Service Regulation	\$364,903	\$390,304	
Personal Services	\$255,073	\$274,633	\$19,560
Operating Expense	\$109,490	\$114,184	\$ 4,694
Equipment	\$ 340	\$ 1,487	\$ 1,147
Total by category	<u>\$364,903</u>	<u>\$390,304</u>	<u>\$25,401</u>
General Fund	\$352,000	\$378,804	\$26,804
D.O.T. Office Pipeline Safety	<u>\$ 12,903</u>	<u>\$ 11,500</u>	<u>\$(1,403)</u>
Total funding	<u>\$364,903</u>	<u>\$390,304</u>	<u>\$25,401</u>

PERFORMANCE INDICATORS

	<u>1972-1973</u>	<u>1973-1974</u>
COST	\$364,903	\$390,304
PERFORMANCE:		
* Collections	\$738,036	\$385,247
**Plant Value of Utilities	771,636,670	854,886,324
Regulated		
Gross Revenue of Utilities	192,760,554	230,690,913
Regulated		
Orders Issured	101	88
Hearings Conducted	89	76
Applications for Certificates	176	182
Certificates Issued	64	45
Certificates Transferred	103	108
Certificates Revoked	32	40
Permits Issued Interstate	133	125
Motor Carriers Having	1,285	1,392
Authority		
PSC Identification Stamps	45,998	46,612
Issued		
Miles of Intrastate Natural	2,875	2,918
Gas Transmission Lines		
Number of Natural Gas	160,652	160,665
Services		
Number of Cities & Towns	134	134
Served by Natural Gas		
Inspections Made	57	38
Items of Non-Compliance	49	7
found		
Items of Non-Compliance	30	7
corrected		

* Decrease due to loss of Gross Revenue Tax.

** Decrease due to conversion, by companies, from a fiscal year to calendar year accounting system.

PROGRAM ANALYSIS

PROGRAM - DEPARTMENT OF PUBLIC SERVICE REGULATION

GOAL

To assure the consumer of safe and adequate transportation and utility services at just and reasonable rates.

OBJECTIVES

To maintain and improve freight, transportation and utility services through public hearings, staff investigations, audits, inspections and handling consumer complaints.

ACHIEVEMENTS

All hearings, inspections, investigations, audits and consumer complaints were kept reasonably current in spite of increased work load.

MAJOR RECOMMENDATIONS

MAJOR RECOMMENDATIONS SUMMARIZED

<u>PRIORITY</u>	<u>DESCRIPTION</u>	<u>PROGRAM</u>
1.	Replacement tax for the gross revenue tax.	Department of Public Service Regulation

MAJOR RECOMMENDATIONS DESCRIBED

1. A replacement tax should be established for the gross revenue tax that was declared unconstitutional by the Montana Supreme Court, Case #12246, Garrett Freightlines, Inc. vs. Montana Railroad and Public Service Commission, dated March 15, 1973.

